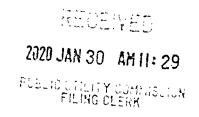


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# **OPEN MEETING COVER SHEET**

## **COMMISSIONER MEMORANDUM**

**MEETING DATE:** 

January 31, 2020

**DATE DELIVERED:** 

January 30, 2020

**AGENDA ITEM NO.:** 

18

**CAPTION:** 

Docket No. 49464; SOAH Docket No. 473-20-1427 — Application of Drew T. Spencer dba Cypresswood Estates Water System and South Cost Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights

in Montgomery County

**DESCRIPTION:** 

Commissioner Walker and D'Andrea

memos.

Distribution List:

Commissioners' Offices (6)

Journeay, Stephen

Urban, John Paul

Corona, Connie

Tom Hunter (5)

Rebecca Zerwas

Commission Advising (9)

Docket Management (9)

Central Records (Open Meeting Notebook)



Arthur C. D'Andrea

Commissioner

Shelly Botkin Commissioner

John Paul Urban **Executive Director** 



Greg Abbott Governor

## Public Utility Commission of Texas

TO:

Chairman DeAnn T. Walker

Commissioner Arthur C. D'Andrea Commissioner Shelly Botkin

All Parties of Record (via electronic transmission)

FROM:

Austin Spraetz

**Commission Advising** 

RE:

Application of Drew T. Spencer dba Cypresswood Estates Water System and

South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Docket No. 49464, Commissioner

Memo, January 31, 2020 Open Meeting, Item No. 18.

DATE:

January 30, 2020

Please find enclosed memoranda by Chairman Walker and Commissioner D'Andrea regarding the above-referenced docket.

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### Public Utility Commission of Texas

### Memorandum

**TO:** Commissioner Arthur C. D'Andrea

Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker 177

**DATE:** January 30, 2020

**RE:** Open Meeting of January 31, 2020 – Agenda Item No. 18

Docket No. 49464; SOAH Docket No. 473-20-1427 – Application of Drew T. Spencer dba Cypresswood Estates Water System and South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County

I recommend that the Commission make the following changes to the preliminary order in this proceeding.

Issue numbers one and two should be modified for clarity.

- 1. Is the application, as supplemented, complete and correctIs the FM 2854 tract served by a public water system?
  - a. If so, who owns and operates that water system? Is that water system included in the proposed transaction?
  - b. If not, how are the residents located within the FM 2854 tract provided water service? Who provides water service to the residents of that tract?
- 2. Will the proposed transaction include both tracts in Cypresswood Estates's service area? If not, under what CCN will the second tract be served, dDoes the application properly accurately reflect the proposed transaction, and if not, should this matter be returned to the Commission for further administrative processing?

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.

## Public Utility Commission of Texas

### Memorandum

TO: Chairman DeAnn T. Walker

Commissioner Shelly Botkin

Commissioner Arthur C. D'Andrea FROM:

DATE: January 30, 2020

RE: Open Meeting of January 31, 2020 – Agenda Item No. 18

> Docket No. 49464 – Application of Drew T. Spencer dba Cypresswood Estates Water System and South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and

Certificate Rights in Montgomery County

I recommend that the Commission make the following changes to include an issue not to be addressed in order to clarify the scope of this proceeding. The purpose of the sale, transfer, and merger process is to evaluate whether an acquiring entity demonstrates that it possesses the necessary financial, managerial, and technical capabilities to provide continuous and adequate service to the requested areas and any areas currently certificated to the acquiror.

#### Issue Not to be Addressed

The Commission identifies the following issue that need not be addressed in this proceeding for the reason stated.

#### 1. Does the transferor possess legal title to the utility at issue in this proceeding?

For applications filed under TWC § 13.301, the Commission is required to make determinations that address the transferee of an applicable entity. The Commission has no jurisdiction to enter an order affecting legal title.

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the Citation and Style Guide for the Public Utility Commission of Texas and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.